



***United States Attorney  
Southern District of New York***

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FOR IMMEDIATE RELEASE  
MAY 3, 2004

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**U.S., COLOMBIA, CANADA AND UNITED KINGDOM  
JOINTLY ANNOUNCE DISMANTLING OF MASSIVE  
INTERNATIONAL MONEY-LAUNDERING RING**

*34 DEFENDANTS CHARGED IN 'OPERATION WHITE DOLLAR,' AN UNDERCOVER  
INVESTIGATION TARGETING COLOMBIAN BLACK MARKET PESO EXCHANGE;  
\$20 MILLION IN LAUNDERED DRUG FUNDS TO BE FORFEITED TO U.S.*

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, ANTHONY PLACIDO, the Special Agent in Charge of the United States Drug Enforcement Administration ("DEA") in New York, RAYMOND W. KELLEY, the Commissioner of the New York City Police Department, MICHAEL J. THOMAS, the Special Agent in Charge of the United States Internal Revenue Service, Criminal Investigation Division ("IRS-CID") in New York, LUIS CARLOS BARRAGAN SAMPER, the Director General of Operations for the Colombian Departamento Administrativo De Seguridad ("DAS") in Bogota, Colombia, MICHAEL CABANA, the Inspector with the Royal Canadian Mounted Police ("RCMP") in Montreal, Canada, and JIM GAMBLE, the Assistant Chief Constable of the National Crime Squad

in London, England, announced today the coordinated dismantling of a massive international money-laundering ring that laundered millions of Colombian drug dollars in the United States, Canada and the United Kingdom through the Colombian Black Market Peso Exchange System.

The United States Attorney announced (a) the unsealing of an Indictment against 34 members of the money-laundering ring located in the United States, Canada and Colombia, (b) the forfeiture to the United States of \$20 million in laundered funds, and (c) the issuance of seizure warrants for more than \$1 million in additional laundered funds.

The Indictment charges that the defendants participated in the Colombian Black Market Peso Exchange (the "BMPE"). The BMPE is an informal currency exchange system in which one or more "peso brokers" serve as middle-men between, on one hand, narcotics traffickers who control massive quantities of drug money in cash in the United States, and, on the other, companies and individuals in Colombia who wish to purchase U.S. dollars outside the legitimate Colombian banking system so that they can, among other things, avoid the payment of taxes, import duties and transaction fees owed to the Colombian government.

The BMPE system involves three-steps. First, narcotics traffickers enter into contracts with peso brokers in which the broker delivers pesos in Colombia in return for cash drug money

in the United States and Canada. Second, the peso broker uses accounts in the United States or other countries outside Colombia to place the narcotics proceeds into the international banking system. Finally, the peso broker enters into contracts with Colombian companies or individuals who deliver pesos to the broker in Colombia in exchange for a wire transfer of dollars. Both transactions are verbal, without any paper trail, and the disconnection between the peso transactions (which generally all occur in Colombia) and the dollar transactions (which generally all occur outside Colombia), make discovery of the money laundering by international law enforcement extremely difficult. Because of these inherent advantages, the BMPE system has become one of the primary methods by which Colombian narcotics traffickers launder their illicit funds.

"Operation White Dollar," a two-year joint Organized Crime Drug Enforcement Task Force ("OCDETF") investigation involving the United States Attorney's Office for the Southern District of New York, the DEA, the NYPD, the IRS, the Office of the Special Narcotics Prosecutor for the City of New York, the Manhattan District Attorney's Office, and the South Florida Money Laundering Strike Force in Miami, Florida, as well as the National Crime Squad, the RCMP, and the DAS, targeted the BMPE system from top to bottom, from the peso brokers dealing directly with narcotics traffickers right down to the Colombian companies

and individuals who facilitate the system by purchasing dollars in the system.

According to the Indictment, 34 individuals and companies were involved in a BMPE conspiracy centered in Bogota, Colombia. Among others, the indictment charges 5 defendants alleged to be "First-Tier Peso Brokers," who make contracts directly with narcotics trafficking organizations; 2 defendants alleged to be "Second-Tier Peso Brokers," who concentrate on arranging for the pickup of street-level cash narcotics proceeds and placing those funds into the banking system; and 9 defendants alleged to be "Third-Tier Peso Brokers," who make contracts directly with the Colombian dollar purchasers.

In addition to announcing charges against the 34 members of the Colombian money-laundering organization, the United States Attorney today announced that JOSE DOUER-AMBAR, a prominent Colombian industrialist who repeatedly purchased millions of dollars in the BMPE system over a period of years, has agreed to a deferred prosecution agreement in connection with which he has agreed to forfeit to the United States \$20 million of BMPE proceeds, constituting the dollars that he purchased from the indicted peso brokers. In addition, the United States Attorney announced the issuance of seizure warrants authorizing seizure of, in aggregate, more than \$1 million from more than 20 separate bank accounts.

United States Attorney General JOHN ASHCROFT stated:  
"Today's arrests highlight the Justice Department's strategy to attack these drug cartels where it hurts most - on the money side. Those who choose to help hide the proceeds of illicit drug trafficking are as much a part of the problem as those who bring the drugs into this country, and they will be dealt with accordingly. We will not let these organizations keep their ill-gotten profits and continuously pump them into the drug pipeline."

If convicted, the charged defendants face a maximum sentence of 20 years' imprisonment on each of the money-laundering charges. In addition, various defendants face an additional maximum sentence of 5 years' imprisonment on illegal money-remitting and conspiracy charges.

Mr. KELLEY praised the investigative efforts of the DEA, the NYPD, the IRS, the Office of the Special Narcotics Prosecutor for the City of New York, the Manhattan District Attorney's Office, the South Florida Money Laundering Strike Force, OCDETF, the DAS, the RCMP and the National Crime Squad.

Assistant United States Attorneys BOYD M. JOHNSON III, DAVID BERARDINELLI, and KEVIN R. PUVALOWSKI are in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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